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BUSINESS MEETINGS AT BOSTON.

DECEMBER 27 TO 31, 1912.

As announced in the program, a meeting of the Executive Committee was held on Friday, December 27, at 3 p. m., in Room B, the Copley Plaza. There were present President Fetter, and Messrs. Adams, Patten, Taussig, Hollander, Commons, Barnett, Farnam and Carver.

After the reading of the minutes of the last meeting, the Secretary-Treasurer presented the facts regarding the increase of membership and the financial condition of the Association. No votes were passed.

A business meeting of the Association was held at Room 22, the Walker Building, Massachusetts Institute of Technology, on Saturday, December 28, at 9 a. m.

On motion, it was voted to dispense with the reading of the minutes of the last annual meeting, they having been already published in the Proceedings.

The report of the Secretary for 1912 was then presented, as follows:

REPORT OF THE SECRETARY TO THE AMERICAN ECONOMIC ASSOCIATION

FOR THE YEAR ENDING DECEMBER 20, 1912.

Since the last annual meeting there has been held but one meeting of the Executive Committee of the Association. This was held on February 16, 1912, at 10 a. m., at the Technology Club, Gramercy Park, New York City. There were present President Fetter and Messrs. Patten, Hollander, Barnett, Seligman, Dewey, McCrea, Babson, and Carver.

On motion, it was voted that the special finance committee authorized at the last meeting of the Executive Committee be constituted at once.

On motion, it was voted that the list of publications of the Association be published with each number of the American Economic Review, in such form as the Secretary and the Editor may decide.

On motion, it was voted that the arrangements for the next annual meeting be referred to the President and Secretary, with power to act.

On motion, it was voted that hereafter no resolution be passed at any public session of the Association.

The organization of the special finance committee referred to was never carried out, because, owing to two fortunate events, it seemed probable that the Association would be able to meet all its expenses for the year. In the first place, ten new life members were added and fourteen old life members made an additional contribution of \$50 each, mainly through the efforts of a special committee of the life members. In the second place, a contribution of \$1000 was received for the purpose of extending the work and influence of the Association. It has turned out that the funds thus obtained, together with the receipts, have a little more than covered the deficit for the year.

Since the last report of the Secretary, the following changes in the list of members and subscribers have taken place:

| | |
|--|----------|
| New members added..... | 495 |
| New subscribers added..... | 45 |
| Total additions | 540 |
| Old members resigned..... | 170 |
| Removed for lack of address..... | 12 |
| Dropped for non-payment of dues..... | 29 |
| Deaths | 18 |
| Subscriptions discontinued..... | 10 |
| Total subtractions..... | 229 |
| Net gain | 311 |
| Members and subscribers Dec. 20, 1911 .. | 2404 |
| Total " " " Dec. 20, 1912.. | 2715 |

Of the new members added during the year 10 are life members. Of the total membership 84 are life members and 9 are honorary members.

The unusual number of withdrawals is to be accounted for as follows: first, our larger membership would normally result in a

larger total annual loss, though the percentage need be no larger; second, the anticipation of the rise in the membership dues, regarding which notice was given to each member at the beginning of the present year, has very probably accelerated the rate of withdrawal; third, the enlargement of the membership has probably brought in a class of members whose interest in the purposes of the Association is somewhat less intense than that of the smaller membership of earlier years. The rate of withdrawal of these less interested members would naturally be somewhat higher than that of the older membership. The losses in membership from causes other than death during the last five years are as follows:

| Year | Membership at beginning of year | Losses, excluding deaths | Percentage |
|------|---------------------------------------|--------------------------------|------------|
| 1908 | 1040 | 32 | 3.1 |
| 1909 | 1002 | 37(?) | 3.6 |
| 1910 | 1360 | 48 | 3.5 |
| 1911 | 1702 | 91 | 5.3 |
| 1912 | 2404 | 211 | 8.7 |

At the last annual meeting it was voted, among other measures of economy, to ask the Secretary to reduce the expenses of his office by \$500. This would have necessitated reduced activity in the work of increasing the membership of the Association. During the first few months of the year this curtailment was carried out, but fortunately the special contribution referred to above was received in May, since which time the Secretary's office has increased its activity in that direction as far as seemed consistent with the character and policy of the Association.

Not only has the loss of membership been somewhat larger than in previous years, but the new members added are somewhat fewer than last year, making the net increase only 311 as compared with 702 last year. The reasons for this are probably,—first, the reduced activity of the Secretary's office during the first five months of the year; second, the increase in the membership dues, notice being given in every case that the dues were to be \$5 after January 1, 1913. However, the fact that there has been a fair increase in membership in spite of these obstacles may be taken as ground for congratulation.

The Proceedings of the annual meeting were published in greatly compressed form as compared with preceding years, and the publication of the Handbook was omitted altogether. It is a

question for the Association to decide what policy it shall follow toward these two publications during the coming year.

Another matter of general policy, which must be decided sooner or later by the Association as a whole, is that of being officially represented at gatherings of a scientific or practical character. During the past year the Secretary has, either on his own responsibility or in consultation with the President, responded to four invitations of this kind. Professor J. T. Holdsworth was asked to represent the Association at the 125th Anniversary of the University of Pittsburgh; Professor E. T. Miller to represent it at the opening of the Rice Institute, Houston, Texas; Hon. Edward C. Simpson and Professors Charles A. Tuttle, U. G. Weatherly, and James G. Weaver were asked to represent us at the National Conservation Congress; and Dr. C. W. Macfarlane and Professor W. G. Langworthy Taylor at the celebration of the Société d'Economie Politique in honor of the 90th birthday of M. Passy, its former president and oldest then living member. In all cases the representation was without expense to the Association and the representatives were informed that they had no power to commit the Association to any vote.

Invitations have been received from the Indianapolis Chamber of Commerce and from the New Orleans Conventions and Tourist Bureau to hold the next annual meeting in their respective cities. Invitations to meet in Minneapolis in 1913 have also been received from the University of Minnesota, through its President George E. Vincent, from the Governor of Minnesota, from the Mayor of Minneapolis, and from the Minnesota Historical Society.

It is the Secretary's sad duty to record the loss of the following members by death during the year 1912:

| | |
|----------------------|----------------------|
| W. W. Adams | John F. Hinckley |
| John Jacob Astor | Frederick W. Moore |
| J. J. Browne | Godfrey Morse |
| Frederick M. Burgess | Henry Phillips |
| Elizabeth B. Butler | Harrison S. Smalley |
| Edgar S. Dowe | Robert M. Stratton |
| Louis R. Ehrich | Isador Straus |
| J. R. Flickinger | Charles N. Vollum |
| Ernest L. Hammargren | Carola Woerrishoffer |

Respectfully submitted,
T. N. CARVER, Secretary.

On motion, the Secretary's report was accepted to be placed on file.

The annual report of the Treasurer was then read, as follows:

REPORT OF THE TREASURER TO THE AMERICAN ECONOMIC
ASSOCIATION

FOR THE YEAR ENDING DECEMBER 20, 1912.

The books of the Treasurer show his accounts to stand as in the following table. The details in the form of a Balance Sheet, Income and Outgo Account, and Surplus Account are given in the report of the Auditing Committee.

CASH RECEIPTS

| | |
|---|------------|
| Cash Balance, December 20, 1911..... | \$ 390.03 |
| Membership Dues, collected in 1912..... | 5878.64 |
| Life Memberships | 1700.00 |
| Subscriptions paid in 1912..... | 976.33 |
| Sales of Publications, collected in 1912..... | 675.39 |
| Guarantee Fund, payments in 1912..... | 2335.54 |
| Interest | 57.74 |
| Prepaid Dues for 1913..... | 637.31 |
| Luncheon Subscriptions received..... | 180.00 |
| Extension Fund received..... | 1000.00 |
| | <hr/> |
| | \$13830.98 |

CASH PAYMENTS

| | |
|--------------------------------------|------------|
| Publication expense paid..... | \$ 7629.07 |
| Office expense paid..... | 2004.53 |
| Bills of 1911 paid..... | 1003.60 |
| Notes Payable of 1911 paid..... | 1000.00 |
| Luncheon of 1911..... | 331.65 |
| New Office Furniture, etc..... | 102.25 |
| Extension Fund payment..... | 935.52 |
| Cash Balance, December 20, 1912..... | 824.36 |
| | <hr/> |
| | \$13830.98 |

As mentioned in the Secretary's report a subscription of \$1000 was received in May for an extension fund. Of this fund \$935.62 have been expended as follows:

| | |
|------------------------------------|----------|
| Postage | \$235.00 |
| Printing | 354.70 |
| Addressing and Clerical Work | 305.82 |
| Circularizing Libraries | 40.00 |
| | <hr/> |
| | \$935.52 |

leaving \$64.48 still to be expended.

Of the total income for the year \$1000 has come from the fees of ten new life members, and \$700 from the voluntary contributions of fourteen old life members. These thirteen gentlemen and one lady became life members when the fee was \$50, and generously decided to attain unto equality in burden bearing with those who come after by contributing an additional \$50 each. It is a question for the Association to decide whether the dues from life memberships are to be treated as current income or as liabilities. From one standpoint it would seem that if we treat them as current income to be used in the payment of current expenses we should be consuming our capital, and that we are not really coming out even at the end of the year unless we can invest the money received from this source and pay our running expenses from the annual membership dues and the interest on the investment.

From another standpoint, one might argue that, since the number of life members is never very large and we may expect additions every year to the list, it is quite proper to regard their dues as current income. Were it not for the extraordinary number of life members who have joined during the present year, this argument would be sound. It is not probable that the receipts from this source this year will be duplicated soon. Therefore it would seem to the Treasurer that during the coming year the budget ought to be so framed as to permit the investment of at least \$1000 of the \$1700 received from this source during the present year.

The Treasurer submits the following forecast of the expenses and receipts of the Association for the year 1913.

ESTIMATED EXPENSES

| | |
|--|---------|
| Publishing Proceedings of Annual Meeting..... | \$ 1000 |
| Publishing the Handbook | 500 |
| Editing and Publishing the Amer. Econ. Review. | 7000 |
| Office of the Secretary-Treasurer..... | 2500 |
| Rent and Insurance | 100 |
| Annual Meeting | 100 |
| <hr/> | |
| | \$11200 |
| Investment of receipts from Life Memberships.. | 1000 |
| <hr/> | |
| | \$12200 |

| ESTIMATED INCOME | |
|---|---------|
| Membership Dues and Subscriptions | \$10000 |
| Sales of Publications | 700 |
| Interest | 57 |
| | _____ |
| | \$10757 |
| To be raised on Guarantee Fund | 1443 |
| | _____ |
| | \$12200 |

This forecast involves an unusual amount of guesswork, because of the rise in membership dues next year. There will probably be a number of resignations, and also a number of uncollectible dues. Assuming that 2000 out of our 2700 members and subscribers pay their five dollar dues, we shall be in excellent financial condition next year. But if the loss of membership should be larger than is anticipated it would be impossible to invest the \$1000 received from life memberships without incurring a deficit.

Respectfully submitted,

T. N. CARVER,

Treasurer,

No action was taken on the Treasurer's report until after the reading of the Auditor's report, the reading of which by Professor Cole immediately followed.

REPORT OF THE AUDITING COMMITTEE

Boston, Mass., December 28, 1912.

To the American Economic Association:

Your auditing committee reports that the accounts and vouchers of the Treasurer for the fiscal year ended December 20, 1912, have been examined in detail by assistants under the supervision of the committee.

An income and outgo statement, an exhibit of the charges and credits to the "surplus" account, and a balance sheet are submitted herewith.

Journal entries have been drawn up which provide for the closing of the books and which will bring the balances of the ledger accounts into exact accord with the exhibits given herein.

Very respectfully,

WILLIAM MORSE COLE,

CARROLL W. DOTEN,

HARVEY S. CHASE,

Auditing Committee,

INCOME AND OUTGO
FOR THE YEAR ENDED DECEMBER 20, 1912

Ordinary Income

| | |
|-----------------------|-----------|
| Membership Dues | \$7032.28 |
| Interest | 57.74 |
| | \$7090.02 |

Ordinary Outgo

| | |
|--|-----------|
| Office Salaries | \$1312.47 |
| Office Postage | 295.15 |
| Office Stationery and Printing | 135.50 |
| Office Supplies | 41.17 |
| Traveling Expenses | 26.40 |
| Insurance | 67.00 |
| Telephone and Telegraph | 29.41 |
| Express, Freight and Cartage | 4.05 |
| Storage of Publications | 50.00 |
| Annual Meeting Expenses | 101.40 |
| Losses on Defaulted Membership Dues.... | 47.32 |
| Losses on Defaulted Sales Accounts..... | 4.27 |
| Allowance for Defaulted Dues | 140.00 |
| Allowance for Returns of Publications..... | 60.00 |
| Miscellaneous | 33.65 |
| | \$2347.79 |
| Surplus of Ordinary Income | \$4742.23 |

Publication Outgo

| | |
|----------------------------------|-----------|
| Proceedings, Printing, etc. | \$ 706.17 |
| Review, Printing | 3220.83 |
| Review, Editorial | 1500.00 |
| Review, Contributorial | 1114.50 |
| Review, Expenses | 1087.57 |
| | \$7629.07 |

Publication Income

| | |
|--|-----------|
| Subscriptions | \$ 976.33 |
| Sales | 787.39 |
| Guarantee Fund | 2465.54 |
| | \$4229.26 |
| Net Cost of Publications above Publication Income | \$3399.81 |
| Normal Surplus for the Year | \$1342.42 |

SURPLUS ACCOUNT

DURING THE YEAR ENDED DECEMBER 20, 1912.

| | |
|--|-----------------|
| December 20, 1911. Deficit (brought forward) | \$ 989.04 |
| <i>Credits</i> | |
| Normal Surplus of Income for Year (as above) | 1342.42 |
| | _____ |
| | \$ 353.38 |
| Special Income, 1912 | |
| Life Memberships | \$ 1700.00 |
| "Extension Fund" | \$1000.00 |
| Special Outgo, 1912 | |
| Campaign for Extension of Memberships. | |
| Printing | \$354.70 |
| Postage | 235.00 |
| Clerical Work | 345.82 \$935.52 |
| | _____ |
| | \$ 64.48 |
| Balance, reserved for 1913 | 64.48 |
| | _____ |
| Credit Balance at End of Year (December 20, 1912) | \$2053.38 |

BALANCE SHEET—DECEMBER 20, 1912

| <i>Assets</i> | <i>Liabilities</i> |
|--|--------------------|
| Cash | \$ 824.36 |
| Investment—New York City | |
| Assessment Bond | 1000.00 |
| Furniture and Fixtures.... | 264.25 |
| Insurance Unexpired | 32.00 |
| Membership Dues Receiv- able | 923.50 |
| Other Accounts Receivable. | 262.73 |
| | _____ |
| | \$3306.84 |
| <i>Liabilities</i> | |
| Membership Dues Prepaid. | \$ 637.31 |
| Guarantee Fund Prepaid.. | 130.00 |
| Extension Fund Balance | |
| Unused | 64.48 |
| Accounts Payable | 41.67 |
| Subscriptions to Luncheon. | 180.00 |
| Allowance for Return of Publications | 60.00 |
| Allowance for Defaults in Membership Dues | 140.00 |
| Surplus | 2053.38 |
| | _____ |
| | \$3306.84 |

On motion, the report of the Auditing Committee was received to be placed on file, with thanks for the clearness and detail with which it was presented.

The Managing Editor of the *American Economic Review*, being absent on account of illness, sent in his report, which is as follows:

REPORT OF THE MANAGING EDITOR OF THE
AMERICAN ECONOMIC REVIEW

At the annual meeting of the Association in December, 1911, Professor Clive Day, of Yale University, was elected editor, to take the place of Professor Farnam. No meetings of the editors have been held during the year save at the time of the annual meeting.

Expenditures for the *American Economic Review* during 1912, the second year of its publication, have been \$6922.90 as compared with \$6730.59 in 1911. The chief reason for this slight increase of \$192.31 is due to the larger edition of copies printed, the number being increased from 2800 to 3300 for three of the issues and to 3200 for one of the issues.

For the principal items, the expenditures for 1912 were as follows: (For purposes of comparison the figures for 1911 are given in a parallel column.)

| | 1912 | 1911 |
|--|-----------|-----------|
| Printing | \$3220.83 | \$2495.18 |
| Salary of editor | 1500.00 | 1500.00 |
| Contributors | 1114.50 | 1320.25 |
| Clerical assistance | 794.89 | 865.50 |
| Supplies | 292.68 | 413.51 |
| Travelling expenses of editors | | 136.15 |
| <hr/> | | <hr/> |
| Total | \$6922.90 | \$6730.59 |

The amount printed this past year has been slightly in excess of that in 1911. Volume II, 1912, contains 1038 pages as compared with 981 pages in Volume I. There has been a decrease of 51 pages in the amount of space given to leading articles and of 6 pages in space given to reviews. On the other hand, there has been an increase of 39 pages for new books listed in bibliographies and of 21 pages for documents, reports and legislation, and 53 pages for periodical abstracts.

In all, 17 leading articles have been published occupying 28 per cent of the total space; 213 books have been reviewed; and 1452 new books have been listed in bibliographies. This latter

item is to be compared with 785 new books listed in 1911. 1727 entries have been made of articles in periodicals as compared with 1074 in 1911.

DAVIS R. DEWEY,
Managing Editor.

On motion, the President was authorized to appoint a committee on nominations and a committee on resolutions. The President appointed for the committee on nominations Professors Farnam, Taussig, Patten, Barnett and Hagerty; and for the committee on resolutions Professors McCrea and Whitaker.

President Fetter then presented an invitation from San Francisco to hold its meeting for 1915 in that city and to participate in an exhibit of materials covering the social sciences.

On motion, it was voted to refer the matter of such an exhibit to the Executive Committee with power.

On motion, it was voted to authorize the Secretary to publish, during the year, the *Handbook of the Association* containing a list of the members.

Adjourned.

A meeting of the Executive Committee was held in Room 1, the New Lecture Hall, Harvard University, at 9 a. m., Monday, December 30. There were present President Fetter, and Professors Taussig, Seager, Commons, Hollander, McCrea, and Carver.

On motion, it was voted to omit this year the publication of the papers and discussion at the joint session with the American Association for Labor Legislation, and that arrangements be made to get the *American Labor Legislation Review* in which the report appears supplied to our members who desire it at reduced rates.

On motion, it was voted to refer to the Secretary the matter of putting in the *Proceedings* the whole of Professor Irving Fisher's paper with the discussions.

On motion, it was voted to allow the President to publish elsewhere his annual address if he so desires.

On motion, it was voted that it is the sense of this Committee that the responsibility for editing the *Proceedings* of the Annual Meeting rests with the Editorial Board, it being understood that the Secretary will edit the *Proceedings* for this year.

On motion, it was voted that it is the sense of this meeting that

hereafter it is desirable that the presidential address should appear as a leading article in the March number of the Review.

Adjourned to meet at 1.30 at Sanders Theater.

The adjourned meeting of the Executive Committee was held at 1.30 p. m., in Sanders Theater, Harvard University. There were present President Fetter, and Professors Taussig, Farnam, Commons, Clark, Patten, Seager, Carver, and Dr. Durand.

On motion, it was voted to refer the question of a recommendation regarding the accrediting of work done on efficiency commissions to a committee consisting of Professors Fetter, Farnam, and Taussig, to recommend at their discretion.

Adjourned.

A second business meeting of the Association was held on Tuesday, December 31, at 9 a. m., at the Copley Plaza, as announced in the program.

The committee on nominations, through Professor Farnam, reported the nomination of the following officers for 1912:

For President,

Professor David Kinley, University of Illinois.

For Secretary and Treasurer,

Professor T. N. Carver, Harvard University.

For Vice-Presidents,

1. Professor John H. Gray, University of Minnesota,

2. Dr. C. W. Macfarlane, Philadelphia, Pa.,

3. Professor W. E. Hotchkiss, Northwestern University.

For members of the Executive Committee (succeeding H. R. Seager and F. H. Dixon),

Professor M. B. Hammond, Ohio State University,

Professor W. A. Scott, University of Wisconsin.

For members of the Editorial Board (succeeding Henry B. Gardner and Henry C. Taylor),

Professor H. B. Gardner, Brown University,

Dr. John L. Coulter, The Census Bureau, Washington, D. C.

On motion, the Secretary was instructed to cast a ballot for the persons nominated, and they were declared elected.

The committee on resolutions submitted the following report, which the Secretary was instructed to include in the records of the meeting.

REPORT OF THE COMMITTEE ON RESOLUTIONS

"The American Economic Association in closing its meeting in 1912, wishes to express sincere appreciation of the distinguished hospitality that has marked our stay in Boston. Local organizations, citizens, and the press have united to make this one of the most noteworthy and enjoyable meetings we have ever held.

"Be it therefore resolved: that the Secretary be requested to make in the minutes formal record of these sentiments, and to transmit copies of these resolutions especially to the general Committee on Social Arrangement, to the special Committee of Local Members, to President and Mrs. A. Lawrence Lowell, to the President and Fellows of Harvard University, to the President of the Massachusetts Institute of Technology, and to the City, University, College, and St. Botolph Clubs.

"Respectfully submitted,

Roswell C. McCrea,
A. C. Whitaker."

The sub-committee appointed by the Executive Committee on the question of a recommendation regarding accrediting work done on efficiency commissions presented the following report:

"Voted, that the suggestion made by Mr. MacCarthy be referred to the Executive Committee, with power to refer it to a sub-committee, which may be authorized to confer with the American Political Science Association and also to report directly to this Association."

On motion, it was voted to refer to the Executive Committee the question of the place of meeting next year, but that this meeting should express a preference for Minneapolis.

Adjourned.